

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING

OFFENSE CHARGED

- 1) 18 USC 1343 Wire Fraud-5 cts.;
-
- 2) 18 USC 1957(a) Money
-
- Laundering - 4 cts.

- ☐
- Petty
-
- ☐
- Minor
-
- ☐
- Misdemeanor
-
- ☒
- Felony

E-filing

PENALTY:

- 1) 20 yr impris., \$250k fine, 3 yr S.R., \$100 assessment; 2) 10 yr impris., \$250k fine, 3 yr S.R., \$100 assessment; 3) 18 USC 981(a)(1)(C) & 28 USC 2461(C) Forfeit Wire Fraud Proc.; 4) 18 USC. 982 - Forfeit Money Laundering Proc.

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

INTERNAL REVENUE SERVICE

- ☐
- person is awaiting trial in another Federal or State Court, give name of court

- ☐
- this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

- ☐
- this is a reprosecution of charges previously dismissed which were dismissed on motion of:

SHOW DOCKET NO.

- ☐
- U.S. Att'y
- ☐
- Defense

- ☐
- this prosecution relates to a pending case involving this same defendant

- ☐
- prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

MAGISTRATE CASE NO.

Name and Office of Person

Furnishing Information on JOSEPH P. RUSSONIELLO

THIS FORM

- ☒
- U.S. Att'y
- ☐
- Other U.S. Agency

 Name of Asst. U.S. Att'y
 (if assigned)

THOMAS MOORE, AUSA, TAX DIV.

 Name of District Court, and/or Judge/Magistrate, location
 NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE

DEFENDANT - U.S.

Ausaf Umar Siddiqui

DISTRICT COURT NUMBER

CR 09

0018

DEFENDANT

IS NOT IN CUSTODY

- 1)
- ☐
- Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges

- 2)
- ☐
- Is a Fugitive

- 3)
- ☒
- Is on Bail or Release from (show District)

NORTHERN DISTRICT OF CALIFORNIA

IS IN CUSTODY

- 4)
- ☐
- On this charge

- 5)
- ☐
- On another conviction

- 6)
- ☐
- Awaiting trial on other charges

☐ Fed'l ☐ State

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

- ☐
- This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

- ☐
- SUMMONS
- ☒
- NO PROCESS*

- ☐
- WARRANT Bail Amount:

If Summons, complete following:

- ☐
- Arraignment
- ☐
- Initial Appearance

Defendant Address:

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

1 JOSEPH P. RUSSONIELLO
2 United States Attorney

FILED
JAN - 6 2009
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

6 E-1119

8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

JF
RS

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 AUSAF UMAR SIDDIQUI,

15 Defendant.

No. CR

VIOLATIONS:

18 U.S.C. § 1343- Wire Fraud (5 Counts);
18 U.S.C. § 1957(a) - Money Laundering
(4 Counts); 18 U.S.C. § 981(a)(1)(C) and
28 U.S.C. § 2461(C) Forfeiture of Wire
Fraud Proceeds (1 Count); 18 U.S.C. § 982 -
Forfeiture of Money Laundering Proceeds (1 Count)

SAN JOSE VENUE

18 INDICTMENT

19 The Grand Jury charges:

20 BACKGROUND

21 At all times relevant to this Indictment:

22 1. At times relevant to this indictment, AUSAF UMAR SIDDIQUI, was a resident
23 of Palo Alto, California and was Vice President of Merchandising and Operations for Fry's
24 Electronic's, Inc. ("Fry's").

25 2. Fry's is a company with offices in San Jose, California.

26 3. Vendor One and Vendor Two sold merchandise to Fry's.

27 4. PC International, LLC ("PC International") was a company with offices in San
28 Jose, California.

1 5. AUSAF UMAR SIDDIQUI was the founder of and controlled PC International
2 and the had sole signatory on its bank accounts.

3 6. PC International held account number xxxxxx7028 at Wells Fargo Bank.

4 THE SCHEME TO DEFRAUD FRY'S

5 7. Beginning at a time unknown to the grand jury, but no later than in or about June
6 2005 and continuing through about November 2008, in the Northern District of California and
7 elsewhere, the defendant,

8 AUSAF UMAR SIDDIQUI,
9 did knowingly and intentionally devise a scheme and artifice to defraud as to a material matter,
10 and to obtain money and property by means of materially false and fraudulent pretenses,
11 representations, promises, and omissions, knowing that the pretenses, representations, promises,
12 and omissions were false and fraudulent when made.

13 MANNER AND MEANS OF THE SCHEME TO DEFRAUD FRY'S

14 8. As part of the scheme to defraud Fry's, and in order to induce Fry's vendors to
15 give money to PC International, SIDDIQUI engaged in certain conduct and made certain material
16 false representations, promises, and omissions, including, but not limited to, the following:

17 a. SIDDIQUI represented to Fry's that as Vice President of Merchandising
18 and Operations he would obtain merchandise from Fry's vendors at a lower price if Fry's
19 authorized him, as its Vice President, to enter sales contracts on Fry's behalf with Fry's vendors
20 directly instead of buying merchandise through sales representatives to whom the vendors would
21 be obligated to pay sales commissions for arranging such purchases by Fry's.

22 b. SIDDIQUI represented to Fry's that the vendors selling directly to Fry's
23 without using the sales representatives would charge Fry's a lower price for merchandise as they
24 would not have to pay sales representatives a sales commission for such purchases.

25 c. SIDDIQUI failed to disclose to Fry's that he made secret backroom deals
26 with vendors for them to make payments to PC International based on the amount of
27 merchandise purchased by Fry's.

28 ///

d. SIDDIQUI failed to disclose to Fry's that he was the founder of and controlled PC International.

e. SIDDIQUI failed to disclose to Fry's that, in his capacity as its Vice President, he awarded contracts to the vendors who secretly agreed to pay PC International based on the amount of merchandise purchased by Fry's and that those vendors made payments to PC International pursuant to SIDDIQUI's scheme.

COUNTS ONE THROUGH FIVE: (18 U.S.C. § 1343 – Wire Fraud)

9. Paragraphs 1 through 8 are realleged as if fully set forth herein.

10. On or about the dates set forth below, in the Northern District of California, and elsewhere, for the purpose of executing the material scheme to defraud Fry's and to obtain money by materially false and fraudulent pretenses, representations, promises, and omissions, the defendant,

AUSAF UMAR SIDDIQUI,

did knowingly transmit and cause to be transmitted the following wire communications in interstate and foreign commerce:

COUNTS	DATE	MONETARY TRANSACTION
ONE	06/08/05	Vendor 1 wired \$1,000,000 from its Cathay Bank Acct. #xxxxxx3134 to Wells Fargo Bank Acct. # xxxxxx7028 (via New Jersey between California banks)
TWO	06/29/05	Vendor 2 wired \$350,000 from its EastWest Bank Acct. #xxxxx2676 to Wells Fargo Bank Acct. # xxxxxx7028 (via New Jersey between California banks)
THREE	02/15/06	Vendor 1 wired \$500,000 from its Cathay Bank Acct. #xxxxx3134 to Wells Fargo Bank Acct. # xxxxxx7028 (via New Jersey between California banks)
FOUR	06/12/08	Vendor 1 wired \$3,000,000 from its Cathay Bank Acct. #xxxxxx3134 to Wells Fargo Bank Acct. # xxxxxx7028 (via New Jersey between California banks)
FIVE	11/12/08	Vendor 2 wired \$1,000,000 from its EastWest Bank Acct. #xxxxxx2676 to Wells Fargo Bank Acct. # xxxxxx7028 (via New Jersey between California banks)

Each in violation of Title 18, United States Code, Section 1343.

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1 COUNTS SIX THROUGH NINE: (18 U.S.C. § 1957(a) – Money Laundering)

2 11. On or about June 8, 2005, through on or about June 13, 2008, in the Northern
3 District of California, the defendant,

4 AUSA F UMAR SIDDQUI,

5 then a resident of Palo Alto, California; did willfully and knowingly engage in monetary
6 transactions in criminally derived property of a value greater than \$10,000, as described in
7 Counts Six through Nine below, said property being derived from a specified unlawful activity,
8 namely, wire fraud, as alleged in Counts One through Five:

COUNTS	DATE	MONETARY TRANSACTION
SIX	06/10/05	Electronic transfer of \$1,000,000 to Acct.# xxx71 at Venetian Marketing Incorporated.
SEVEN	07/01/05	Electronic transfer of \$300,000 to Acct.# xxx71 at Venetian Marketing Incorporated.
EIGHT	02/17/06	Electronic transfer of \$500,000 to Acct.# xxx71 at Venetian Marketing Incorporated.
NINE	06/13/08	Electronic transfer of \$2,950,000 to Acct.# xxx71 at Venetian Marketing Incorporated.

16 Each in violation of Title 18, United States Code, Section 1957(a).

17 FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) -
18 Forfeiture of Wire Fraud Proceeds)

19 12. The allegations of Counts One through Five of this Indictment are realleged and
20 by this reference fully incorporated herein for the purpose of alleging forfeiture pursuant to the
21 provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. 2461(c).

22 13. Upon a conviction of any of the offenses alleged in Counts One through Five, the
23 defendant,

24 AUSA F UMAR SIDDQUI,

25 shall forfeit to the United States all property, constituting and derived from proceeds traceable to
26 said offenses, including but not limited to the following property:

27 a. a sum of money equal to the total amount of money involved in the
28 commission of said offense;

b. \$16,578.22 of funds seized from Wells Fargo Business Checking Account
#xxxxxxx7028 in the name of PC International;

c. \$38,329.92 of funds seized from Advantage Plus Checking Account
#xxxxxxx2946 in the name of A-Umar Siddiqui;

d. a model year 2006 Mercedes Benz CLS 55, VIN number
WDDDJ76X06A057058.

e. \$30,100 seized from the defendant's briefcase.

f. 3100 British Pounds seized from the defendant's briefcase.

g. 240 Euros of funds seized from the defendant's briefcase.

h. Ten Wells Fargo debit cards seized from the defendant's briefcase.

i. Three SmartOne Visa debit cards of funds seized from the defendant's
briefcase.

14. If any of said property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided
without difficulty;

any and all interest defendant has in other property (up to the value of the property identified in
paragraph 13) shall be vested in the United States and forfeited to the United States pursuant to
Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code,
Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.

FORFEITURE ALLEGATION :(18 U.S.C. § 982 -Money Laundering Forfeiture)

15. The allegations contained in Counts Six through Nine of this indictment are
realleged and by this reference fully incorporated herein for the purpose of alleging forfeiture
pursuant to the provisions of 18 U.S.C. § 982.

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1 16. Upon a conviction of any of the offenses alleged in Counts Six through Nine
2 above, defendant,

3 AUSAF UMAR SIDDIQUI,

4 shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), all
5 right, title and interest in property, real and personal, involved in said violation, or any property
6 traceable to such property, including but not limited to the following:

7 a. a sum of money equal to the total amount of money involved in the
8 commission of said offense;

9 b. \$16,578.22 of funds seized from Wells Fargo Business Checking Account
10 #xxxxxxx7028 in the name of PC International;

11 c. \$38,329.92 of funds seized from Advantage Plus Checking Account
12 #xxxxxxx2946 in the name of A-Umar Siddiqui;

13 d. a model year 2006 Mercedes Benz CLS 55, VIN number
14 WDDDJ76X06A057058.

15 e. \$30,100 seized from the defendant's briefcase.

16 f. 3100 British Pounds seized from the defendant's briefcase.

17 g. 240 Euros of funds seized from the defendant's briefcase.

18 h. Ten Wells Fargo debit cards seized from the defendant's briefcase.

19 i. Three SmartOne Visa debit cards seized from the defendant's briefcase.

20 17. If, as a result of any act or omission of the defendant, any of said property

21 a. cannot be located upon the exercise of due diligence;

22 b. has been transferred or sold to or deposited with, a third person;

23 c. has been placed beyond the jurisdiction of the Court;

24 d. has been substantially diminished in value; or

25 e. has been commingled with other property which cannot be divided without
26 difficulty;

27 any and all interest defendant has in any other property (up to the value of the property identified
28 in paragraph 16) shall be forfeited to the United States, pursuant to Title 21, United States Code,

1 Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

2 All in violation of Title 18, United States Code, Sections 982, 1957(a) and Rule 32.2 of
3 the Federal Rules of Criminal Procedure.

A True Bill

4
5 Dated: 1/6/09

Angela A. Mendez
FOREPERSON

6 JOSEPH RUSSONIELLO
7 United States Attorney

8 *Brian Stretch*
9 BRIAN STRETCH
10 Assistant United States Attorney
Chief, Criminal Division

11 Approved as to Form

12 *Thomas Moore*
13 THOMAS MOORE
14 Assistant United States Attorney
Chief, Tax Division